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Letters to The Times

Soviet Economic Challenge

Realistic Appraisal of Industrial Capabilities of Russia Urged

The writer of the following letter is a member of the staff of the Russian Research Center of Harvard University.

TO THE EDITOR OF THE NEW YORK TIMES: Allen Dulles in his speech reported on April 9, clearly intended to alert the American people to the danger of the Russian economic challenge. He warned against the spread of "comforting illusions" which serve as "false tranquilizer(s)." It is therefore regrettable that the esteemed director of the Central Intelligence Agency inadvertently provided a "false tranquilizer" of his own when he stated that Soviet industrial output in 1970 will be only 60 per cent of ours. This comforting proclamation was unfortunately carried as the lead item by the press (including The New York Times) and the radio, thus distorting the meaning of the speech, giving it a soothing rather than stimulating overtone.

This is especially regrettable since the 1970 comparison made by C. I. A.'s analysts is open to serious doubts. There are two key elements in the making of such forecasts:

First, an estimate of the current (1958) ratio of Soviet to United States industrial output, and second, an estimate of the expected rates of industrial growth in each country.

As for the current ratio Mr. Dulles stated: "Our own analyses of Soviet industrial output last year concluded that it was not more than 50 per cent of our own." It is difficult to understand what was meant by this statement, for the analysis referred to did not pertain to 1958 at all, but rather to 1956.

Ratio of Growth

In a speech reported in The Times April 29, 1958, Mr. Dulles said that Soviet industrial output in 1954 was 50 per cent of ours. In the intervening two years, however, it has been claimed that Russian industry has grown at an annual rate of 10 per cent, while our industrial output in 1958 was actually 6 per cent lower than it was in 1956. This implies that starting from C. I. A.'s own calculations for 1956, in 1958 Soviet industrial output was more than 50 per cent of ours.

Even if one were to discount some of the Russian claims and also ignore the drop in United States output, it would be unwarranted to estimate 1958 Soviet industrial output at any less than 45 per cent of ours.

Using this 45 per cent ratio, and the quite "safe" estimate of expected Soviet rate of industrial growth of 5 to 10 per cent and expected United States rate of industrial growth of 3 to 4 per cent, one finds that in 1970 Soviet industrial output will be 100 to 120 per cent of ours. Moreover, even in the most favorable case (Russian rate of industrial growth, 4 per cent; United States, 4 per cent) the Russians threaten to catch up to us in aggregate industrial output in about twenty years, i.e., before 1980.

The conclusion to be drawn is that our industrial supremacy is not something which, at present rates of growth, will last indefinitely. In fact, it will most likely last only another ten to twenty years. Assurances to the contrary, however unintended, do not perform a service to the American people. Surely the lesson of Sputnik is that we must be realistic in our appraisal of Russian capabilities. It is necessary now for us to assess realistically the Soviet economic challenge and, upon this realistic assessment, build our response to this challenge.

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Cambridge, Mass., April 10, 1959.

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